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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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Lydia Breck

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EXAMINER

LOFTUS, ANN E

ART UNIT

PAPER NUMBER

3692

MAIL DATE

DELIVERY MODE

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PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/709,977	Applicant(s) BRECK ET AL.	
	Examiner ANN LOFTUS	Art Unit 3692	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 23 June 2008.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1,2,4 and 9-11 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1,2,4 and 9-11 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date <u>6/19/2008, 6/19/2008, 6/19/2008, 6/19/2008</u> . | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Status of the Claims

1. This action is in response to an amendment filed on 6/23/08. Claims 1, 2, 4, 9-11 are pending. Claims 3 and 5-8 are cancelled. Claims 9-11 are new.

2. The application is a continuation, which claims three provisionals, the earliest of which is dated 3/7/2000.

Response to Arguments

3. Applicant's arguments with respect to the claims have been considered but are moot in view of the new ground(s) of rejection. The independent claims have been extensively amended.

The applicant remarks on page 10 that in his invention the balance is checked for sufficient funds twice. This is addressed in the rejections as a combination of known elements, which covers iteration of a known step. Note also that paragraph 12 of the background of the specification says "It is also common in the industry for merchants to submit pre-authorization requests followed by a subsequent request for authorization".

The applicant also points out that the invention involves an STN profile and an account, and that the cash equivalent value in the STN profile is reduced in one step and that the value in the account is reduced in a separate step. Carrithers teaches this, as addressed in the rejections.

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4. The following Official Notices are from the previous action.

- Official Notice is taken that if a product is purchased by redeeming an award, then the award account balance is reduced by an amount equivalent to the transaction amount.
- Official Notice is taken that these transaction settlement steps are old and well known:
 - Capturing transaction settlement information in a financial capture system
 - Creating an accounts payable file and routing the accounts payable file to an accounts payable system for payment processing
 - Forwarding the transaction settlement information to an accounts receivable system.

5. The Applicant made a general statement in the remarks that the rejections were traversed, but did not specifically mention the Official Notices from the previous Office Action. Adequate traversal of an Official Notice is a two step process. First, the applicant must state their traversal on the record. Second and in accordance with 37 C.F.R. §1.111(b) which requires the applicant to specifically point out the supposed errors in the Office Action, the applicant must state why the Official Notice statement(s) are not to be considered common knowledge or well known in the art. In this application, the applicant has not specifically traversed the Official Notice. The applicant has further failed to argue why the Official Notice statement(s) are not to be considered common knowledge or well known in the art. Because the applicant's traversal is

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inadequate, the Official Notice statement(s) are taken to be admitted as prior art. See MPEP §2144.03.

Claim Rejections - 35 USC § 101

6. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

7. Claims 1, 2, 4, 9-11 are rejected under 35 U.S.C. 101 because the scope of the claim includes non-statutory material.

As to claim 1, the method is non-statutory subject matter.

In order for a method to be considered a process under 101, it must either be tied to another statutory class or else transform an article or materials. This is based on *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972). If neither of these requirements is met by the claim, the method is not a patent eligible process under §101 and is non-statutory subject matter.

It may be useful to the applicant to consider recent decisions that clarify that a nominal mention of an apparatus in the preamble (i.e. "a computer-implemented method comprising") is not sufficient to tie a method claim to a statutory class. See *Ex Parte Wasynczuck* No. 2008-1496 (2 June 2008) and *Ex parte Langemyr* No. 2008-1495 (28 May 2008), available through http://www.uspto.gov/web/offices/dcom/bpai/informative_opinions.html. They provide examples relying on the established cases *Benson*, *Comiskey* and *Flook* (*Benson*, 409

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U.S. at 71-72, *Comiskey*, 499 F.3d at 1380 (citing *In re Grams*, 888 F.2d 835, 839-40 (Fed. Cir. 1989)). *Cj, Flook*, 437 U.S. at 593).

The method of claim 1 does not recite any particular device or apparatus in a substantial method step, and is therefore rejected. Claim 2 does not remedy the problem. Claim 4 refers to systems and routing, but the examiner finds that the tie is a nominal tie because the substantial method steps are in claim 1. Thus claim 4 does not remedy the problem.

Claim 9 recites a computer readable medium storing instructions for executing steps. The instructions themselves are not specified as executable. Executable instructions become functional material because they affect the operation of the computer. Non-executable instructions, for example, a user manual, are non-functional descriptive material and not eligible for patent protection. The claim as written would include within its scope inert text instructions that would not affect the function of the computer.

Claims 10 and 11 also fail to mention executable instructions so they do not remedy the problem.

Claim Rejections - 35 USC § 112

8. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

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9. Claims 1, 2, 4, 9-11 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claims 1 and 9 recite a non-currency based cash equivalent amount. See the creating step. How can an amount be both non-currency based and a cash equivalent? Please either explain or clarify. The remaining claims are rejected as inheriting the problem addressed.

Claim Rejections - 35 USC § 103

10. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

11. Claims 1, 2, 4, and 9-11 are rejected under 35 U.S.C. 103(a) as being unpatentable over US Patent 5689100 filed 3/21/96 by Carrithers et al. in view of the background of the specification.

As to claims 1 and 9, Carrithers teaches a non-currency based program in col 7 near line 6 (an award account balance in points). The background of the specification admits that the following is old and well-known: Selecting by a user at least one of a good and a service to purchase from a merchant [paragraph 4], selecting a program of a provider to pay the merchant [4], identifying by the provider of the user, the account

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being associated with the program [9], designating a primary account of the user that is funded by the account when facilitating the transaction at the provider, the primary account having a primary account number that is configured for at least a currency based transaction [9]. It would have been obvious to a person of ordinary skill in the art at the time of the invention to modify the non-currency based program to explicitly add selecting by a user at least one of a good and a service to purchase from a merchant, selecting a program of a provider to pay the merchant, identifying by the provider of the user, the account being associated with the program, and designating a primary account of the user that is funded by the account when facilitating the transaction at the provider, the primary account having a primary account number that is configured for at least a currency based transaction in order to allow the use of the points program for on-line purchases.

Carrithers teaches authenticating the merchant with the provider in col 6 lines 52-60. The Background of the specification teaches authenticating the user (by digital signed certificate) [6]. It would have been obvious to a person of ordinary skill in the art at the time of the invention to modify Carrithers to add authenticating the user in order to prevent use of stolen account numbers.

Carrithers does not teach a secondary transaction number. The background teaches generating a secondary transaction number and associating the secondary transaction number with the primary account, the secondary account number being used during the transaction [6-12]. It would have been obvious to a person of ordinary skill in the art at the time of the invention to modify Carrithers to add generating a

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secondary transaction number and associating the secondary transaction number with the primary account, the secondary account number being used during the transaction in order to avoid overexposing the primary account number. Applying the STN to Carrithers in light of the background would result in the STN being used during the non-currency based transaction.

The STN could be generated before or after the selection of the good/service and the selection of the payment program. There are a finite number of points where the STN could be generated and it would have been obvious to a person of ordinary skill in the art at the time of the invention to try generating the STN after the selections, with predictable results and a reasonable expectation of technical success, in order to avoid generating numbers that are never used and thus wasted.

Carrithers teaches converting accumulated non-currency based value in the non currency based account into a first corresponding cash equivalent and determining that the first corresponding cash equivalent is not less than a transaction amount, the transaction amount being at least a portion of a price associated with the at least one of a good and service in col 8 lines 30-42.

Carrithers teaches creating a non-currency based account profile comprising a non-currency based amount available in col 7 near line 5 (award account balance in points). Carrithers teaches providing an account number to the merchant and the merchant then requesting authorization of the transaction, the merchant requesting authorization over an authorization network in col 7 near line 30. Carrithers does not teach the STN. The background teaches the STN as above. As above, it would have

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been obvious to a person of ordinary skill in the art at the time of the invention to modify Carrithers to add the STN in order to avoid overexposing the primary account number.

Carrithers teaches authorizing the transaction, by the provider, the authorizing comprising converting accumulated non-currency based value in the non-currency based account into a second corresponding cash equivalent and determining that the second corresponding cash equivalent is not less than the transaction amount, reducing the cash equivalent amount available as stored in the profile, by the purchase amount, and recording a record of the transaction in the profile in col 9 lines 10-35.

Carrithers does not explicitly teach the STN. The background teaches the STN as above. As above, it would have been obvious to a person of ordinary skill in the art at the time of the invention to modify Carrithers to add the STN in order to avoid overexposing the primary account number.

Carrithers does not explicitly teach recognizing that the STN is associated with the non-currency based account, and determining if a limited use parameter is associated with the STN, and, if so, determining whether the limited use parameter associated with the STN is satisfied and determining if a limited use parameter is associated with the primary account, and if so, determining whether the limited use parameter associated with the primary account is satisfied. The background teaches recognizing that the STN is associated with the non-currency based account, and determining if a limited use parameter is associated with the STN, and, if so, determining whether the limited use parameter associated with the STN is satisfied, and determining if a limited use parameter is associated with the primary account, and if so,

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determining whether the limited use parameter associated with the primary account is satisfied in [8-9]. It would have been obvious to a person of ordinary skill in the art at the time of the invention to modify Carrithers to add these known features in order to allow restrictions to be set on the use of the cards to prevent unintended use.

Carrithers teaches in col 9 line 34 to 60 settling the transaction comprising determining if a record of the transaction exists in the non currency based profile, and deducting a corresponding cash equivalent of the transaction amount from the non currency based profile.

Carrithers does not explicitly teach the STN. The background teaches the STN as above. As above, it would have been obvious to a person of ordinary skill in the art at the time of the invention to modify Carrithers to add the STN in order to avoid overexposing the primary account number.

As to claims 2 and 10, Carrithers does not teach designating limited use parameters and associating the parameters with the STN. The background teaches the STN as above and teaches designating limited use parameters in paragraphs 8-9. As above, it would have been obvious to a person of ordinary skill in the art at the time of the invention to modify Carrithers to add the STN in order to avoid unintended use of the accounts.

12. Claims 4 and 11 are rejected under 35 U.S.C. 103(a) as being unpatentable over US Patent 5689100 filed 3/21/96 by Carrithers et al. in view of the background of the

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specification, and further in View of Official Notice and US Patent 5537314 filed in 1995 by Kanter.

Carrithers does not explicitly teach the settling further comprises capturing transaction settlement information in a financial capture system, creating an accounts payable file and routing the accounts payable file to an accounts payable system for processing and forwarding the transaction settlement information to an accounts receivable system. Official Notice (now admitted prior art, see Response to arguments above) was taken that these steps were old and well-known at the time of the invention. It would have been obvious to a person of ordinary skill in the art at the time of the invention to modify Carrithers to add these steps in order to bring the transaction to a properly documented conclusion.

Carrithers does not teach recognizing that the transaction settlement information comprises an STN that is associated with the non-currency based account, and issuing a credit from the non-currency based account to the accounts receivable system, wherein the credit from the non-currency based account offsets at least in part the transaction amount.

Kanter teaches recognizing the transaction settlement information as involving a non-currency based account in col 23 lines 44-68. In paragraph 6 of the Background, the settlement processing includes substituting primary numbers for secondary numbers. It is implicit in substituting a secondary transaction number that the secondary transaction number is recognized as such. It would have been obvious to a person of ordinary skill in the art at the time of the invention to modify Carrithers and Kanter with

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predictable results and a reasonable expectation of success, to add recognizing that the transaction settlement information comprises a secondary transaction number that is associated with the non-currency based account, in order to initiate the correct processing.

Kanter teaches in col 25 lines 40-68 issuing a credit from the non-currency based account to the accounts receivable system wherein the credit from the non-currency based account offsets at least part of the transaction amount. It would have been obvious to a person of ordinary skill in the art at the time of the invention to modify Carrithers to add issuing a credit from the non-currency based account to the accounts receivable system wherein the credit from the non-currency based account offsets at least part of the transaction amount in order to bring the transaction to a properly documented conclusion.

Conclusion

13. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the

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shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

14. While portions of interest have been indicated, all references should be considered for the entirety of their teachings.

15. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Ann Loftus whose telephone number is 571-272-7342. The examiner can normally be reached on M-F 8-4.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Kambiz Abdi can be reached on 571-272-6702. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a

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AL

/Kambiz Abdi/
Supervisory Patent Examiner,
Art Unit 3692